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Hon. Robert Ramspeck Speaks at OPEDA Luncheon, April 17

In the absence from Washington of OPEDA's President and Vice President, Mr. C. K. Morrison, Secretary-Treasurer, introduced the Honorable Robert Ramspeck, chairman of the U. S. Civil Service Commission, at the April luncheon meeting of our group. Mr. Morrison said in part:

"It is hardly necessary for me to mention the fine accomplishments of our distinguished guest and I do not intend to do so as it would take too much of his valuable time. I will say to Mr. Ramspeck, however, what I believe he must have heard many times, that everywhere we go we find that you have the deepest esteem and respect of all Government employees because of your understanding and sympathy with their problems and needs. I have yet to hear the first one express regret that you have accepted the assignment you now have. You may be sure that you are among friends today. May I present Mr. Ramspeck, chairman of the U. S. Civil Service Commission."

Mr. RAMSPECK: "Mr. Morrison, ladies and gentlemen: I appreciate the kind remarks Mr. Morrison has made in presenting me to you. I am very glad to have this opportunity to talk with you 'off the cuff'; I have no prepared speech. My opinions at this point are pretty much muddled. The most I have been doing in the month since I took over this job is to initial and sign my name to letters and documents. If I could just find some way to get rid of about 50 percent of those papers that flow across my desk like the waters of the Mississippi it would save a lot of grief and the taxpayers a lot of money. When I mentioned this to a friend recently, he agreed that this was a fine ambition but inquired about where I would be in about five years when a committee of Congress would call me up to the Hill to ask about a specific case. It is a real problem. We should all work to simplify procedures and to reduce man hours of time spent in such duties. Some cases coming to me have been through the hands of six or seven people who have initialed them before they reach me. It does seem to me that some reduction might be made."

"Sitting next to me is my friend and yours, Mr. T. Roy Reid, director of personnel for the U. S. Department of Agriculture. Mr. Reid, I believe there is no better personnel administrator in the Government service than you are."

Leave Situation: "I do not know what you people are particularly interested in. We in the commission have been talking about the leave situation. I thought it would be right silly for the commission to sit by and wait for Congress to put a rider on the appropriation bill reducing the leave and then run to the Senate and try to stop it. The commission staff is working on various proposals in connection

with changing the leave benefits but is not fully decided on anything as yet, and may never be. My own personal opinion is that Congress is going to do something about leave and that the commission should present its views to the members 'before the axe falls.'

"My own belief is that one of the difficulties of the commission in the past has been its reluctance to 'stick its neck out.' However, I am in the happy position over there of being on leave of absence from a job to which I am to return in 1952. This job I have just taken over is one in which I am very much interested, but I did not seek it. I have had a great deal of interest in matters pertaining to Federal employees for many years and am going to do my best. So, any time the President thinks I am 'sticking my neck out' too far I have a position to go back to that pays me more money! If I have my way we will have a proposal fair to employees and taxpayers alike and furnish a solution that is satisfactory to Members of Congress about unused leave. One source estimates that a billion dollars is tied up in unused leave; another source says it is half a billion dollars."

Pay Situation: "We all are interested in how much money we make. The proposed legislation in one bill pending would increase the pay of Federal employees up to 17%. I feel quite sure that Congress will not go beyond what it permits through regulatory agencies for people in private employment; this would get it down to approximately 10%. My own opinion is that the Federal government should always treat its own employees as well as those in private industry are treated. I realize there will be some difference of opinion and that these differences must be averaged out. Some people in private employment are not treated too well; others are treated very well indeed. I believe that the Government must arrive at a happy medium."

"I also believe that people in the more responsible higher-grade jobs will never make as much in the Government service as do those on the outside, and that some persons in the lower grades already make more than those doing comparable work in private industry. I am personally opposed to legislation that puts a flat monetary increase across the board; the cost of living has gone up for those in all the grades. I believe that salary increases should be given to those in the higher brackets proportionately with those in the lower brackets. I hope that some salary legislation will be enacted soon and believe that if the present salaries were justified at the time they were fixed, they should be increased to meet the rise in the cost of living."

Management Side of Government: "For many years I have been much

concerned about the management side of Government. In 1945, when Mr. Truman entered the White House, I called there and told him of my concern and that I felt the Government needs a general manager. On looking at our Constitution we will find that total authority for management of the Government rests in the President of the United States; no one else has that executive authority. Obviously, for the present time and the immediate future, the President has no time even to think of the management side of Government. The proposed manager would be an assistant to the President and would operate directly under his authority; he would deal solely with management techniques and procedures and have no concern with politics or policy."

"With all due respect to my friends who are agency heads, I venture to say that most of them were not selected primarily because of their experience in management or for having outstanding ability as managers of large enterprises. My belief is that most of these officials take little time to study the management side of government; they are more concerned with politics and policies. An effort was therefore made to set up in the various departments undersecretaries for administration—that is, general managers of the departments. I think that under this system we have made some progress toward better management in the Government."

"I feel that there are only two ways in which we can reduce operating expenses. (1) Reduce the functions of the Government departments. (2) Reduce unit costs by initiating better methods and procedures. I dwell particularly on the latter; the former would have to be carried out by the Congress. On the management side it boils down to the fact that we have about 2,300,000 people employed by the Federal Government today; all of them have individual and personal responsibility to do a good job. If we could get full cooperation from them our problem would be solved."

"There seems to be a feeling on the part of many people that they must do only what they are told to do. We have never been able to teach all these people how to do a better job. We must all do our own individual parts to turn out a good job—to develop good plans, methods, and techniques. In this way we can materially reduce the cost to the taxpayers. This is something in which we all, of course, have an interest as citizens and taxpayers. I believe that about 20% of the average dollar of income goes to the Federal Government and about 10% to local and county governments. Obviously, it is getting pretty expensive to be governed! The cost of government by the methods I propose will make the Congress more friendly to

the needs and wishes of Federal employees. I plan to do all in my power to bring about better management and more economy in Government operation.

"Let me remind you that the commission itself has very little authority in the field of management, but it will have a greater opportunity to observe these matters when operating on a decentralized basis. The commission does have the authority, however, to take back these rights made possible under the decentralization program if they fail to function according to the rules prescribed by the commission. Recently some of that authority was taken from various agencies which were up-grading and 'pirating' employees at higher pay. We do not intend to let this condition continue to exist if we can help it.

Public Point of View: "One other thing. We are disturbed about the point of view of the public toward people who work for the Federal Government. I do not wish to go into detail, as it might appear too much on the political side if I do. A far from accurate picture has been painted by many. Washington has been pictured a 'den of iniquity' and Federal employees as 'clock watchers who sit around and read magazines and don't do any work.' Most of them do a good day's work; the others should be fired. We who have lived here for any length of time know that Washington is no more sinful than any other large city in the country and definitely not as bad as some. The commission finds it increasingly difficult to get people—especially women—to come to Washington to work. The parents of many young women believe they would not be safe in our city. I hope to be able to contribute something toward bringing about a better understanding as to the actual conditions and the real job our people are doing. I have had many businessmen who worked here during World War II tell me they were pleasantly surprised at how courageous and efficient they had found the people they worked with.

"I am personally interested in the problems of the people who work for our Government. I want to do a good job over in the Civil Service Commission and I solicit your support and your suggestions—both as a group and as individuals. If you have any suggestions that you believe will improve even the Civil Service Commission itself, write about them to me and I assure you they will be considered and you will receive an answer. Obviously, a number of my friends are expecting some things from me which I shall never be able to accomplish. But I will give my dead level best to do a good job."

Question Period: The Chairman then asked Mr. Ramspeck if he would be willing to submit to questions from the floor; he replied that he would.

Question: Would you care to tell us if the Congress and other commissioners feel as you do about percentage rather than dollar increases in Federal employee wages? **Mr. Ramspeck:** "I have no idea; I have not talked with them about it."

Question: Most of us are aware that college graduates are discouraged from entering the Government serv-

ice. Private industry often sends crews of interviewers into the colleges to select their personnel—economists to interview economists, engineers to interview engineers, etc. Could this be done by the Federal Government? **Mr. Ramspeck:** "Under the decentralized program the agencies themselves can do their own recruiting."

Question: Does the commission have any plan to give leadership to agencies and see that personnel is used effectively? **Mr. Ramspeck:** "We are working on personnel utilization now—in private as well as public employment; nothing has as yet crystallized. During the last war I felt that in many cases private employers with Government contracts were more wasteful of personnel than were the employers in Government."

Question: Do you care to comment on the efficiency rating problem? **Mr. Ramspeck:** "No, I am not yet entirely familiar with the new system that has been started. I find there have been many changes since I left the Congress five years ago. I think there will be a lot of disappointment by some employees, because under the new system they may be rated 'satisfactory' rather than 'excellent' because in order to be rated outstanding they must have done something very definite to warrant it. In other words, the rating 'excellent' may now be 'satisfactory,' though it may mean just as much."

Question: It is my understanding that a great many people were blanketed under Civil Service without examination. If that is true, has it made the Government service less attractive as a career? **Mr. Ramspeck:** "A good many people have been brought under Civil Service without taking competitive examinations; I do not remember, however, that any have been brought in without qualifying examinations."

Question: Has the Civil Service Commission as an agency made an effort to expand its functions in the management field? **Mr. Ramspeck:** "I don't know. This is now under discussion, but I don't know what has been done in the past. I expect that I will make a nuisance of myself as long as I am over there. I believe that somewhere along the line there should be power to take an over-all look at this thing. Congress created these so-called 'super grades,' limiting them to 400. The commission had requests for about a thousand. New defense agencies are sending over job descriptions to determine whether the grades should be 16, 17, or 18. I sometimes feel as if Shakespeare must have written some of them. They are beautiful jobs! But all we have to judge from is the language—no performance, just paper, with lots of words. Some provisions should be made to classify these grades before persons are hired; it is very hard to change them afterwards."

Question: Why can't the Civil Service Commission inquire of agencies as to the essentiality, value, and efficiency of the various functions which they perform? **Mr. Ramspeck:** "The commission has not that authority."

Question: Has it ever been asked for? **Mr. Ramspeck:** "I don't think so. You know, there is a tendency in Government 'not to stick one's neck

out.' We need general management. Let me give you my own experience and show you what can be done. About five years ago Capital Airlines, which had always operated at a loss, was on the verge of bankruptcy and the only reason they were still in existence was that the Civil Aeronautics Board was holding their hands. Then they changed presidents. Now, five years later, the company operates with 60% of the original personnel and made a profit in February for the first time in its history."

Question: All those things are possible, but I can't remember anyone in Civil Service who ever requested such authority. **Mr. Ramspeck:** "I don't know why, but a great many people in public life get to the point where they never 'stick their necks out' to change the status quo. I have no doubt there are many very fine men and women in the Civil Service Commission who believe it is not their place to make these changes. This may not be entirely true. I know Arthur Flemming had a lot of good ideas for making changes, but he was not in as good a position as I am. If they don't do the job somebody else will, I have told them. I certainly expect them to do a good job. I think every agency should insist on it with its own people; employees often get discouraged, however, when some supervisors tell them not to get any new ideas but to stick to their own jobs. I have listened to such complaints from thousands of Federal employees and am going to listen to many more."

Question: Is there not a trend to increase leave in industry to four weeks and to reduce Federal leave to two weeks? **Mr. Ramspeck:** "From what I do know, the present trend is for a graduated basis, with the newer employee getting less leave. There is a suggestion that we revamp Federal leave on this basis."

The Chairman: "I know that Mr. Ramspeck has given us the reassurances many of us have needed—that the commission is headed by a man who is going to see that the business of the United States Government is improved in so far as his authority and influence can go."

With respect to retirement, **Mr. Ramspeck added:** "When I left Congress in 1945 I thought I knew much about retirement. I have not changed my mind about our retirement system. I think it is the best I know of anywhere. It is not on a sound actuarial basis. The other day a bill came to my attention, proposing retirement at age 50 after 20 years of service. After discussing it with the other commissioners and pointing out that this bill was aimed at a problem of employment rather than retirement, they agreed with me. I don't propose to sit by and let our system be whittled away and used for other purposes. I want the money to be there for you people when you reach retirement age."

Mr. MORRISON: "I don't believe anyone will disagree with you. According to the book, 'Life Begins at 40,' we would have lived only ten years! I hope we will be able to get Mr. Ramspeck back with us again. We know he is a very busy man, but we shall certainly ask him." Adjournment.

OPEDA'S STATEMENT TO CONGRESS ON LEAVE

The Federal leave policy has for years set an example to industry. Thus a strong argument in favor of 26 days is that Government has been urging private employers to be more liberal in granting their employees various benefits such as vacation time. There has been a trend upward in recent years in the amount of time granted by private employers for employee vacations. Moreover, the present leave rights for Government employees were established by legislation approved by successive Congresses as the end result of many years of experience. Incidentally, the current 26 days is a reduction from the 30 days provided by earlier legislation although the present 5-day week involves 40 hours of work as compared with the former 5½-day week of 39 hours. It appears, therefore, that the Government might well continue to set as an example to industry what it has in the past believed to be a reasonable leave policy.

It is true that the present benefits are actually fairly liberal. We believe that reasonable opportunities for recreation on the part of Federal employees are definitely in the interests of the Federal public service. Moreover, it is no secret that many Federal workers have used annual leave toward obtaining a degree or other special training to help in their public work. Another condition affecting some Federal employees, at least, is that their Government stations are very long distances from their home towns. This situation arises in part from the provisions of the apportioned service; it takes longer for them to visit their homes than it does for people who have never gone such long distances for their stations of employment.

The long-run leave problem is one thing; the present accumulation is another. The latter is largely a direct result of World War II. The two problems are distinct, and we believe that consideration of the former should not be confused with the latter. The leave accumulation was not a problem of any particular concern before World War II, and probably will not be again unless the present emergency grows to similar proportions. In fact, we are informed that the amount of accumulated annual leave per employee in the Department of Agriculture, has, on the average, not changed materially during the past two or more years. This would seem to indicate that the annual leave situation is becoming stabilized.

As stated above, the leave accumulation problem is largely the result of the fact that Federal employees were asked to keep their leave to a minimum in order to promote maximum production during the war. As loyal citizens they did so willingly. Now they find that action, taken as a patriotic duty, instead of being viewed with approval, has been criticized in some quarters.

Continuation of the present leave status, and limitation of accumulation to 60 days as before the war, should result in no more problems than before the war, and it apparently was not a serious budgetary problem then.

We understand also that keeping the annual leave records in multiples of 26 days, as at present, simplifies administration in the interest of reducing clerical costs to a minimum.

We respectfully suggest that annual leave accumulations constitute an obligation of Government and that its employees should not be penalized for doing what they were urged or in some cases required to do. Annual leave granted by the Government to an employee is time belonging to him. Within reasonable limits it would seem to be as legitimate to husband a portion of his leave for worthy purposes as it is to save a part of his pay against a rainy day or against the time of his retirement from active duty. May we add at this point that if severance pay were granted to employees let out involuntarily without prejudice, one great incentive for accumulating leave would be removed.

If it is argued that Government is concerned about the possibility of a new emergency, we suggest provision for it as an emergency only; if employees are temporarily prohibited from using their leave let us not put the matter on a permanent basis of reduced leave, but on a temporary basis only, for the duration of any such emergency.

As a means of easing the budget problem which agencies face on transfer of employees with leave accumulations, or the necessity to discharge such individuals, we suggest that a leave reserve be set up by every agency, this to be credited annually by the increase in leave accumulation as of January 1 each year over the year before.

When employees transfer from one agency to another, we suggest that the leave credits be transferred or else that the whole amount be carried as a reserve fund in the United States Treasury. Such a fund should, we believe, carry over from year to year. The setting up of a leave reserve fund would, of course, require legislation. We respectfully urge that provision be made for some such plan.

Final returns from the OPEDA questionnaire on leave, to which about 29% of the members have replied to date, showed that a strong majority consider the present set-up of 26 days to be equitable to both the employee and the Government. Analysis of the first 808 replies were published in OPEDA's March Newsletter; this you have in hand as part of my statement to your committee.

In connection with the general question of leave, I would like to quote from recent letters of two of our members: One, stationed in the Northwest, writes thus: "Voluntary overtime should be considered in any discussion concerning the shortening of leave for scientific personnel. Field work cannot be done on an 8-hour basis. Observations must be made on Saturdays and Sundays, and it is often necessary to be in the field early in the morning and late in the evening. Field employees in travel status get little recreational value from Saturdays or Sundays and have no opportunity for home duties. Moreover, professional personnel in nontravel status frequently work evenings, Saturdays, and Sundays during rush periods in preparing reports, manu-

scripts, and correspondence. Funds for payment of time in excess of 8 hours per day are seldom available, and to grant compensatory time off would materially reduce the yearly work output. Under present conditions thousands of workers put in several weeks of voluntary overtime each year and think nothing about it, because 26 days of annual leave provide ample opportunities for recreation and home duties. If annual leave were shortened it seems likely that willingness to perform voluntary overtime would diminish and that the total yearly work output would not be increased."

The second member, stationed in the South, says: "I have been working for the U. S. Department of Agriculture for almost 18 years. I have gotten a great amount of satisfaction and security out of knowing that I would be awarded 26 days annual leave for my own personal use and 15 days sick leave per year if needed in case of sickness. I have always felt that if I were separated from the Federal service I would have the pay from my accumulation of annual leave to tide me over until I could find other employment. I have always had the satisfaction of knowing that if I became physically ill and off from work for a considerable length of time I would not lose salary for the time off because of such illness. . . .

"In private employment numerous companies allow sick leave and also furnish free of charge or at a very, very nominal charge, hospitalization and surgical policies to their employees. This is not the case in Government service. One has to furnish his own insurance. . . .

"I can truthfully say that I do not believe there has been one case of abuse of sick leave in the unit where I am employed in the almost 18 years I have been working for the Department of Agriculture. This is attested by the fact that every employee in the office has nearly the maximum amount of accumulated sick leave allowed. If an employee is not trustworthy enough to use his sick leave for the purpose for which it is intended the Government would be much better off without his services."

Finally, may I repeat that OPEDA's members are loyal and patriotic Government employees and citizens; you will find them ready and willing to do their part at all times, both in war and in peace, as they have done in the past.—Frederick V. Rand, Executive Officer.

OPEDA'S STATEMENT TO CONGRESS ON FEDERAL-STATE COOPERATIVE PROGRAMS

(1) Objectives: The objective of S. 1019 is to authorize those Federal employees who, before entering the Federal service, worked on Federal-State cooperative programs, to receive retirement credit for the years spent on such programs. Under present rulings such credit is now given only if such persons had received direct appointments as Federal collaborators or cooperative agents under the Cooperative Extension Service of the U. S. Department of Agriculture, and had met certain other requirements;

retirement credit for such cooperative work is not allowed, however, to those not having direct Federal appointment, even though all other conditions of cooperative participation in the Federal programs were substantially similar. This distinction has resulted in certain discrepancies and inequities which S. 1019 is intended to relieve.

The bill would not extend eligibility under the Civil Service Retirement Act to persons not now clearly eligible under the act. It provides merely that if persons who have been under full-time Federal appointment for five or more years and are in the Federal service at the time of retirement or death, had been employed, prior to entry into the Federal service, by a State or Territory, and while so employed had devoted all or a major part of their official time and effort to cooperative programs or projects (1) specifically authorized by Federal statute, (2) conducted under the general direction and supervision of a designated department or agency of the Federal government, and (3) financed wholly or in part by Federal funds and if the retiree so desired, the years so spent could be included in the aggregate period of service to form the basis for calculating the annuity receivable by them under the provisions of the Civil Service Retirement Act of May 29, 1930, as amended.

(2) **Number of individuals who would be affected by the bill:** In 1948 the Retirement Committee of OPEDA made an informal canvass of all bureaus of the Department of Agriculture and those of other Federal departments and agencies whose appointees might be subject to such an amendment as provided in S. 1019. The approximate figures then obtained have had more recent checks and verifications and the results would indicate that a grand total of approximately 6,000 persons distributed among some 13 Government departments or agencies would be affected.

Section 2 of S. 1019 was added to provide for officers or employees of the government who retired or were involuntarily separated without prejudice before legal recognition of their eligibility. Only a very small number of individuals would be thus affected—perhaps 10 or 15—but it would have been a gross inequity had they not been provided for in S. 1019.

(3) **The financial burden, were S. 1019 enacted:** No precise estimate of annual cost appears practicable, but it is wholly improbable that all of the approximately 6,000 Federal appointees concerned would take advantage of the amendment if enacted. Indeed, it seems reasonable to assume that a maximum of 5,000 present Federal appointees would avail themselves of these annuity benefits. Informal inquiry showed that the additional period of creditable service under the bill would average about five years and the approximate five-year average salary for basing the annuity, as similarly determined, would average around \$6,000 per annum.

Thus, a hypothetical average employee, under the amendment, would enjoy an increase of five years in the creditable period of aggregate service and a concomitant 7½ per centum of the proportion of the five-year average salary payable as annuity. For ex-

ample, a person with a five-year average salary of \$6,000 per annum, who had been under Federal appointment for 20 years, would qualify under the present law for an annuity of \$1,800; with credit for a previous 5 years under State appointment but devoted to Federal-State cooperative projects, he would be eligible for an annuity of \$2,250—a difference of \$450. That multiplied by 5,000 would indicate an approximate annual increase in Federal retirement allowance, due to S. 1019, aggregating some \$2,250,000.

It should be remembered, however, that part of such estimated increase in cost would be offset by deposits in the Civil Service Retirement and disability fund which the bill requires of each claimant under its terms. Actually, most of the cases are believed to have originated since the retirement deduction was raised to 3½%, in which event the claimant's deposits might finance as much as one-third of the increase in annuity resulting from enactment of S. 1019.

(4) **General Statement and Conclusions:** A number of Federal programs are conducted through the agency of the States and Territories. National welfare, progress and security are the end purposes of the programs; they are initiated and guided by executive departments or agencies of the United States and part, if not all, of their costs are borne by the Federal Treasury. However, in conformity with the political philosophy and tradition of the nation, the actual execution of the program is by the State or Territory; the majority of the individuals who personally perform the services or functions requisite to the accomplishment of the program appear on the records as employees or officers of the State or Territory, even though it be Federal money that has paid much or all of their salaries or wages.

Moreover, under the current national emergency additional experienced individuals are urgently needed for conducting programs directly under appointment by Federal departments or agencies. State or Territorial officers or employees previously engaged in Federal-State cooperative programs are peculiarly qualified by background, training, familiarity with Federal procedures and wide knowledge of local conditions; consequently special efforts are being made to obtain their services. The majority of persons directly concerned now or in the future have no prospect under the present law for retirement annuity other than that based on their later Federal service exclusively.

The situation thus reduces itself to a choice between verities and technicalities. A Federal employee is approaching retirement age. There is an incontrovertible record that during a preceding period of years he devoted all or a major part of his professional time and energies to one or more fields of action which are firmly established features of the nation's policy and program. It might be agricultural research under the Hatch Act and its successors; vocational training in agriculture as conceived and initiated through the Smith-Hughes and succeeding Acts; cooperative agricultural extension on which the nation embarked through the Smith-Lever

Act, or other programs covered by S. 1019.

What counts the most? (1) The factors of undisputed devotion and service to well defined national objectives and programs, or (2) the technicalities as to the payrolls and appointment rolls on which the employee's name appeared throughout the entire period of service? It is on these points that decision by this committee and by the Congress is desired.—*Frederick V. Rand, Executive Officer.*

OPEDA's Supplementary Statement to Congress On Pay

A number of bills and proposals are before your committee; therefore, instead of commenting on them individually, I should like to discuss three points which concern the salary situation for classified employees as it has developed over the past several years, and which consequently have a direct bearing upon principles involved in the pending legislation.

(1) In the first place, there has been some discussion as to the extent to which salaries should be increased over the present level to take account of the increase in the cost of living since the last salary adjustment. The last salary adjustment was effective on classified employees as of October 31, 1949. The average increase in prices paid by consumers since that time (taking November 15, 1949, as the first subsequent date for which the monthly BLS data apply, to March 15, 1951, the most recent monthly figure available) is 8.7%, according to the Consumers' Price Index prepared by the Bureau of Labor Statistics. This index is widely used and generally recognized for wage escalation purposes in a number of large industries today. If, therefore, Federal salaries are to be treated in accordance with the same principles which are increasingly being recognized as fair and equitable in industry, an increase of 8.7% over the scale established October 31, 1949, would be appropriate.

There seems no good reason for the Federal Government to apply to its own employees a set of principles different from those which its wage adjustment boards and adjudication commissions recognize as fair and equitable in industry. We would like to submit, therefore, that any increase of less than 8.7% over the existing scale would fall short of the measure recognized as fair and equitable generally.

(2) The second point to which I should like to direct your attention is the desirability of extending salary increases to the whole of an employee's salary rather than to only the lower portion thereof, say the first \$5,000, or any other arbitrary figure.

There has been no lightening of responsibilities of persons in the upper brackets; indeed, the trend is definitely in the other direction, as the problems to be dealt with increase in complexity and as responsibilities become heavier. From the standpoint of equity, therefore, there seems no reason for discriminating against persons whose training, experience, judgment, and

ability have placed them in positions of primary responsibility in the Federal Service.

Over the years there has developed a very definite salary discrimination against persons in these categories. That is to say, the percentage by which Federal salary scales have failed to keep pace with the increase in the Consumers' Price Index is much greater for persons in the higher brackets than for persons in the lower. Let me illustrate. The Consumers' Price Index increased 30.4% from July 1946—just at the end of World War II and about the time price controls were lifted—to March 1951. Had salaries in the lowest GS-4 classification increased in proportion, the salary for this grade would have been \$3,122 in March, 1951, instead of \$2,875, the actual rate. Thus the actual rate was 8% below that which would have maintained the same purchasing power as that same grade and classification carried in July 1946. In other words, the increases in salaries in the GS-4 category have lagged behind the increase in the Consumers' Price Index by about 8%. Or, more bluntly, GS-4 employees in this bracket had 8% less purchasing power as of March 15, 1951, than they had in November 1949. However, GS-11 grade salaries have lagged by 16%, and salaries in the GS-15 grade have lagged 23%.

If we carry the comparison back a little further—to the period 1935, at which level an adjustment to conditions after the great depression had been made, we find that salaries for the GS-4 employees in March 1951 were 15% below the level which would have maintained the same purchasing power as they had in March 1935. Salaries for the GS-7 grade had 22% less purchasing power, the GS-11 24% less, those for the GS-13 grade had 28% less, and salaries for GS-15 34% less. In other words, there has been a continuing discrimination against persons in the higher brackets. (In

each case, I have used the lowest bracket in each grade for purpose of reference.)

(3) Now you ask, Why do I bring in figures going back as far as 1935 in a discussion of current conditions? The reason is that it has a direct bearing upon the future of the career service in Government. Every thoughtful person knows that the career service is the backbone of Federal programs of whatever nature. Administrations come and go; heads of agencies change. But the men and women who man the ship and carry out the jobs which the Congress establishes by legislation are the scientists, statisticians, economists, biologists, and specialists in a host of fields, together with the stenographers, clerks, supervisors, and administrators at all levels. It is the future supply of trained and capable young men and women who will carry out the laws enacted by Congress 10, 20, and 30 years from now. Unless the highest quality young people can see a satisfying career in the Federal Service—a career which compares favorably with industry and trade, all things considered—including advancement—the Federal Service of the future will suffer.

Many of the persons who are now in responsible positions, perhaps at the peak of their responsibilities, entered the Government Service back in the middle '30s. In viewing the Government Service as a career, they had in mind, among other things, the opportunities for advancement, i.e., the differentials between the lower and higher positions obtaining at that time, as they compared with opportunities in industry. They have lived to see these differentials shifting very definitely to their disadvantage. Now, as in any period, young men and women are deciding where they will build their careers—whether they will devote their talents to the service of industry or to the service of ALL of the people in Government.

If the maintenance of a career service for the Federal Government is an essential part of Federal personnel policy, then it would appear that young men and women in choosing a career should be able to look forward to promotions in salary commensurate with promotions in responsibility, at least reasonably comparable with what they might find in nongovernment service. Recruitment of competent people is difficult enough under present conditions at best but the prospect of continuing discrimination salary-wise, as they move upward to positions of increased responsibility, is not a factor which is likely to attract the most competent and able young men and women to the career service.

In amplification of the above statements, the six accompanying tables present the Federal salary scales for selected grades and classes over a period of years; the Bureau of Labor Statistics Consumers' Price Index; a computation of salaries which would be equivalent in purchasing power to the salary level of 1935; a series of salaries equivalent in purchasing power to those of July 1946 and of November 1949; and the percentage by which the actual Federal salary scales as of various dates have failed to keep pace with the salary levels shown in the three preceding tables which would maintain purchasing power equivalent to the various dates indicated in the respective tables.

In summary, then, we urge that the Congress extend to Federal employees the principle gaining recognition in industry; namely, the escalation of salaries in keeping with the changes in prices. We urge also that salary increases be proportionate—or at least nearly so—for all levels.—(This report is based on a careful study by President Stauber and was presented by the Executive Officer before the Senate hearings of May 23 on Classified Pay Raises.)

Table 1—Federal Salary Scale for Selected Grades and Classes

	GS-4 (CAF-4)	GS-7 (P-2; CAF-7)	GS-11 (P-4; CAF-11)	GS-13 (P-6)	GS-15 (P-8)
July 1935	\$1,800.00	\$2,600.00	\$3,800.00	\$5,600.00	\$8,000.00
July 1945 ¹	2,100.00	2,980.00	4,300.00	6,230.00	8,750.00
July 1946 ²	2,394.00	3,397.20	4,902.00	7,102.20	9,975.00
July 1948 ³	2,724.00	3,727.20	5,232.00	7,432.20	10,305.00
November 1949 ⁴	2,875.00	3,825.00	5,400.00	7,600.00	10,000.00
September 1950	2,875.00	3,825.00	5,400.00	7,600.00	10,000.00
March 1951	2,875.00	3,825.00	5,400.00	7,600.00	10,000.00

¹ Effective July 1, 1945.

² Effective July 1, 1946.

³ Effective July 11, 1948.

⁴ Effective Oct. 31, 1949.

Table 2—Consumers Price Index¹

	1935-39 = 100	1935 = 100	July 1946 = 100	Nov. 1949 = 100
1935	98.1	100.0		
July 1945	129.6	132.1		
July 1946	141.5	144.2	100.0	
July 1948	174.4	177.8	123.3	
November 1949	169.8	173.1	120.0	100.0
September 1950	174.6	178.0	123.4	102.8
March 1951	184.5	188.1	130.4	108.7

¹ As published April 20, 1951, and described as "Adjusted for Error in Rent Index."

² Unrevised index as revisions by BLS were not carried back of 1940.

Table 3—Salaries Equivalent in Purchasing Power to 1935 Scale

	GS-4 (CAF-4)	GS-7 (P-2; CAF-7)	GS-11 (P-4; CAF-11)	GS-13 (P-6)	GS-15 (P-8)
1935	\$1,800	\$2,600	\$3,800	\$5,600	\$8,000
July 1945	2,378	3,435	5,020	7,398	10,568
July 1946	2,596	3,749	5,480	8,075	11,536
July 1948	3,200	4,623	6,756	9,957	14,224
November 1949	3,116	4,501	6,578	9,694	13,848
September 1950	3,204	4,628	6,764	9,968	14,240
March 1951	3,386	4,891	7,148	10,534	15,048

Table 4—Salaries Equivalent in Purchasing Power to July 1946

	GS-4 (CAF-4)	GS-7 (P-2; CAF-7)	GS-11 (P-4; CAF-11)	GS-13 (P-6)	GS-15 (P-8)
July 1946	\$2,394.00	\$3,397.20	\$4,902.00	\$7,102.20	\$9,975.00
July 1948	2,952.00	4,189.00	6,044.00	8,757.00	12,299.00
November 1949	2,873.00	4,077.00	5,882.00	8,523.00	11,970.00
September 1950	2,954.00	4,192.00	6,049.00	8,764.00	12,309.00
March 1951	3,122.00	4,430.00	6,392.00	9,261.00	13,007.00

Table 5—Salaries Equivalent in Purchasing Power to November 1949

	GS-4 (CAF-4)	GS-7 (P-2; CAF-7)	GS-11 (P-4; CAF-11)	GS-13 (P-6)	GS-15 (P-8)
November 1949	\$2,875.00	\$3,825.00	\$5,400.00	\$7,600.00	\$10,000.00
September 1950	2,956.00	3,932.00	5,551.00	7,813.00	10,280.00
March 1951	3,125.00	4,158.00	5,870.00	8,261.00	10,870.00

Table 6—Percentage by Which Federal Salaries Have Failed to Keep Pace With the Increase in the Consumers Price Index as of March 1951

	GS-4 (CAF-4)	GS-7 (P-2; CAF-7)	GS-11 (P-4; CAF-11)	GS-13 (P-6)	GS-15 (P-8)
Since 1935	15	22	24	28	34
Since July, 1946	8	14	16	18	23
Since November, 1949 ¹	8	8	8	8	8

¹ The last salary adjustment for Federal workers was effective October 31, 1949. Consequently the percent by which salaries have failed to keep pace with increases in prices is uniform for all classifications and merely represents the increase in the Consumers Price Index since that time.

A LETTER

"Thanks for the opportunity to read the copy of your OPEDA report of January 30. Your basic philosophy as to the part and place of the Executive Officer differs little, if any, from what mine was when I first assumed that position. My expectation was that a membership of the mental caliber, knowledge, and experience of those who comprise OPEDA would produce in great abundance the ideas, objectives, programs, policies, specific courses of action, etc., needed to give the organization prestige, life,

and purpose. Experience does not seem to have supported that premise.

"As in the case of an individual, an organization must have force of character, vision, foresight, courage, realism, frankness, if it is to command respect and exercise any measurable degree of influence. It must present some reasonable unanimity of opinion as to the specific measures which are to the advantage or disadvantage of its members. Regretfully I have reached the conclusion that these standards will be attained by OPEDA only through rather positive and somewhat aggressive action by its President and Executive Secretary. They must, of course, respect the views and

have the support of the Executive Committee and the Council; but in large measure the initiative, the driving force, must be their responsibility."

This letter from Mr. L. F. Kneipp to the Executive Officer surely puts all of your officers and council and committee members on their mettle to look well to their responsibilities and to rise to them. It is also a challenge to the membership as a whole to get over to the Home Office their ideas on all phases of OPEDA's objectives. Organization of more Local Chapters would be of great help in crystallizing ideas on the what, how, and when. But more of this later.



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